

A-93-51
II-F-7

INFORMATION COLLECTION REQUEST
FOR
PART 71 FEDERAL OPERATING PERMIT RULES

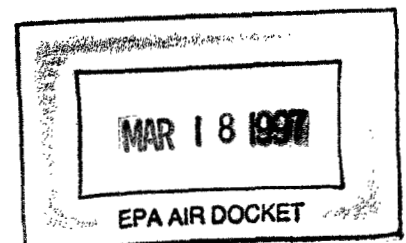
OMB # 2060-0336

by

Daniel Charles Mussatti, Economist
Innovative Strategies and Economics Group
Air Quality Strategies and Standards Division

Office of Air Quality Planning and Standards
Office of Air and Radiation
U.S. Environmental Protection Agency
Research Triangle Park, N.C. 27711

February, 1997



PART 71 FEDERAL INFORMATION COLLECTION REQUEST

TABLE OF CONTENTS

1.	IDENTIFICATION OF THE INFORMATION COLLECTION	1
1(a)	INFORMATION COLLECTION REQUEST ANALYSIS FOR PART 71 FEDERAL OPERATING PERMITS PROGRAM	1
1(b)	ABSTRACT / EXECUTIVE SUMMARY	1
	TABLE 1-1 STATES EXPECTED TO REQUIRE A PART 71 PROGRAM	1
2.	NEED FOR AND USE OF THE COLLECTION	2
2(a)	NEED / AUTHORITY FOR THE COLLECTION	2
2(a)(1)	TEMPORARY PROGRAMS IN STATES AND LOCAL AREAS	2
2(a)(2)	PERMANENT PROGRAM FOR OCS AND TRIBES	3
2(b)	USE / USERS OF THE DATA	3
3.	THE RESPONDENTS AND THE INFORMATION REQUESTED	4
3(a)	RESPONDENTS / SIC CODES	4
3(b)	INFORMATION REQUESTED	4
3(b)(1)	DATA ITEMS	5
3(b)(2)	RESPONDENT ACTIVITIES	5
3(c)	ASSUMPTIONS AND METHODOLOGY FOR RESPONDENT ACTIVITIES	6
4.	THE INFORMATION COLLECTED -- AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT	6
4(a)	AGENCY ACTIVITIES	6
4(a)(1)	FEDERAL BURDEN	6
4(a)(2)	FEE DEMONSTRATION	7

4(a)(3)	CONCLUSIONS OF THE ANALYSIS	7
4(b)	COLLECTION METHODOLOGY AND MANAGEMENT	8
4(b)(1)	DETERMINATION OF A PART 71 FEDERAL OPERATING PERMITS PROGRAM BASELINE	8
4(b)(2)	ASSUMPTIONS OF THE ANALYSIS	10
TABLE 4.1	PART 70 AND PART 71 BASELINES	11
4(b)(3)	DETERMINATION OF THE FEDERAL FEE AND THE FEDERAL BURDEN OF PART 71	12
4(c)	SMALL ENTITY FLEXIBILITY	13
4(c)(1)	METHODOLOGY	13
4(c)(2)	MEASURES TO AVERT IMPACTS ON SMALL ENTITIES	13
4(c)(3)	MEASURES TO MITIGATE IMPACTS ON SMALL ENTITIES	13
4(d)	COLLECTION SCHEDULE	14
4(e)	ENVIRONMENTAL JUSTICE CONSIDERATIONS	15
5.	NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA	15
5(a)	NONDUPLICATION	15
5(b)	CONSULTATIONS	16
5(c)	EFFECTS OF LESS FREQUENT COLLECTION	16
5(d)	GENERAL GUIDELINES	16
5(e)	CONFIDENTIALITY AND SENSITIVE QUESTIONS	17
5(e)(1)	CONFIDENTIALITY	17
5(e)(2)	SENSITIVE QUESTIONS	18
6.	ESTIMATING THE BURDEN AND COST OF THE COLLECTION	18

6(a)	ESTIMATING RESPONDENT BURDEN	18
TABLE 6-1	BASLINE PART 70 SOURCE COSTS	19
TABLE 6-2	COMPARISON OF PART 70 AND 71 SOURCE BURDEN	19
6(b)	ESTIMATING RESPONDENT COSTS	20
TABLE 6-3	COMPARISON OF PART 70 AND 71 SOURCE COSTS	21
6(c)	ESTIMATING AGENCY BURDEN	21
6(d)	ESTIMATING AGENCY COST	21
6(e)	BOTTOM LINE BURDEN HOURS AND COSTS / BURDEN TABLES	22
TABLE 6-4	BOTTOM LINE EFFECTS OF PART 71	22
6(f)	CAPITAL COSTS	23
6(g)	BURDEN STATEMENT	23
APPENDIX A	DETERMINATION OF THE FEDERAL FEE ; THE FEDERAL AND RESPONDENT BURDEN; AND THE FEDERAL AND RESPONDENT COST	24
TABLE A-1	SOURCE BURDEN AND COSTS FOR PART 71 OPERATING PERMIT PROGRAM	25
TABLE A-2-(a)	FEDERAL BURDEN AND COSTS: UNDELEGATED PART 71 OPERATING PERMITS PROGRAM	26
TABLE A-2-(b)	BURDEN AND COST FOR ALTERNATIVE UNDELEGATED PART 71 OPERATING PERMITS PROGRAMS	27
TABLE A-2-(c)	FEDERAL BURDEN AND COSTS FOR A DELEGATED PART 71 OPERATING PERMITS PROGRAM	28
TABLE A-3	FEDERAL BURDEN AND COSTS FOR PART 71 OPERATING PERMITS PROGRAM	29
TABLE A-4	AVERAGE HOURLY COST PER FULL TIME EMPLOYEE ...	29
ROW DEFINITIONS	30

COLUMN DEFINITIONS 30

**APPENDIX B THE STATUTORY REQUIREMENTS FOR RESPONDENT
 INFORMATION 31**

SEC. 503. PERMIT APPLICATIONS 32

SEC. 504. PERMIT REQUIREMENTS AND CONDITIONS 33

§70.5(c) STANDARD APPLICATION FORM AND REQUIRED INFORMATION. . . 33

1. IDENTIFICATION OF THE INFORMATION COLLECTION

1(a) INFORMATION COLLECTION REQUEST ANALYSIS FOR PART 71 FEDERAL OPERATING PERMITS PROGRAM

This document fulfills the Agency's requirements under the Paperwork Reduction Act (PRA) with regards to determining the regulatory burden associated with the promulgation of the Federal Operating Permits Program, to be codified at 40 CFR part 71. It has been assigned EPA tracking number 1713.03 and OMB # 2060-0336.

1(b) ABSTRACT / EXECUTIVE SUMMARY

The information found in this Information Collection Request (ICR) is required for the submittal of a complete permit application, as well as for the periodic reporting and record keeping necessary to maintain that permit once it has been approved. Under a properly working permit program, permitting authorities (PAS), primarily States and local authorities, collect this information from air pollution sources. This information allows the PA and the Federal government to manage air resources. However, part 71 is designed to provide for the collection

**TABLE 1-1
STATES EXPECTED TO REQUIRE A PART 71 PROGRAM**

STATE	REPORTED NUMBER OF SOURCES
Connecticut	100
Idaho	129
Michigan	1,000
Maine	100
New Hampshire	100
Rhode Island	135
Vermont	50
Virginia	366
TOTAL	1,980

of this information from sources in the event the Agency does not approve or withdraw approval of the PA's State Operating Permits Program. The Agency anticipates annualized direct costs to sources to be approximately \$18 million. These costs represent the direct administrative costs for 2,059 major sources, for a cost of \$8,803 per source. The Agency expects Federal costs will be \$19.8 million (\$9,622 per source), The Agency anticipates eight States will require a part 71

Operating Permit Program, (these States are listed in Table 1-1); and that in each case, the Agency will be able to delegate that program back to the affected Permitting Authority. In addition, the Agency anticipates administering a part 71 program for approximately 100 sources in Indian country and the Outer Continental Shelf (OCS). The expected scope of the part 71 program will result in an anticipated average per ton of emissions cost of \$26.85 in 1994 dollars. For a permit program which is fully contracted by Agency, the expected Federal cost would be \$47.1 million (\$22,901 per source), or \$63.89 per ton in 1994 dollars. These costs provide an upper and lower bound to the expected cost of the part 71 regulation.

2. NEED FOR AND USE OF THE COLLECTION

2(a) NEED / AUTHORITY FOR THE COLLECTION

The part 71 program is a Federal operating permits program that will be implemented in those areas without acceptable part 70 programs. Title V of the Clean Air Act imposes on States the duty to develop, administer and enforce operating permit programs which comply with title V and requires EPA to stand ready to issue Federal operating permits when States fail to perform this duty. Section 502(b) of the Act requires EPA to promulgate regulations setting forth provisions under which States will develop operating permit programs and submit them to EPA for approval. Pursuant to this section, EPA promulgated 40 CFR part 70 on July 21, 1992 (57 FR 32250) which specifies the minimum elements of State operating permit programs.

2(a)(1) TEMPORARY PROGRAMS IN STATES AND LOCAL AREAS

Section 502(d)(3) of the Act requires EPA to promulgate, administer, and enforce a program for a State if an operating permits program for the State has not been approved by November 15, 1995. However, the EPA may suspend the requirement that it establish a Federal program by November 15, 1995 for States lacking a fully approved program if a State program is granted interim approval. Therefore, EPA will implement a part 71 program when a State fails to submit an operating permits program to EPA or when the program submitted was not sufficient to warrant full approval or interim approval.

EPA will also establish a part 71 program for a State when interim approval of a State program expires, if that date is after the effective date of the part 71 rulemaking, and if corrective program provisions have not been adopted and submitted to EPA in time for full approval. Since the suspension of the Federal program requirement runs out with the expiration of interim approval, the requirement that EPA promulgate a Federal program is effective immediately upon that expiration, if after the effective date of the part 71 rule.

EPA has the authority to establish a partial part 71 program in limited geographical areas of a state if EPA has approved a part 70 program (or combination of part 70 programs) for the remaining areas of the state.

EPA will promulgate a part 71 program for a permitting authority if EPA finds that a permitting authority is not adequately administering or enforcing its approved program and it fails to correct the deficiencies that precipitated EPA's finding.

EPA may use part 71 in its entirety or any portion of the regulations, as needed. Similarly,

EPA may use only portions of the regulations to correct and issue a state permit without, for example, requiring an entirely new application. Section 71.4(f) also authorizes EPA to exercise its discretion in designing a part 71 program. The EPA may promulgate a part 71 program based on the national template described in part 71 or may modify the national template by adopting appropriate portions of a State's program as part of the Federal program for that State, provided the resulting program is consistent with the requirements of title V.

2(a)(2) PERMANENT PROGRAM FOR OCS AND TRIBES

EPA has authority to establish part 71 programs within Indian country and plans to administer the program in Indian country by November 1997. Since many Indian tribes lack the resources and capacity to develop operating permit programs, EPA expects that it will need to administer and enforce part 71 programs in most of the areas that comprise Indian country in order to protect the air quality of areas under tribal jurisdiction. However, EPA does not propose establishing a Federal operating permit program on any particular reservation as part of the part 71 rule making.

The EPA intends to develop an implementation strategy under the Act for achieving Federal protection of air resources on Tribal lands. The strategy will be designed to prioritize EPA resources in support of this goal. The EPA intends to protect tribal air quality through the development of implementation plans, permits programs and other means, including direct assistance to tribes in developing comprehensive and effective air quality management programs. The EPA will consult with tribes to identify their particular needs for air program development assistance and will provide ongoing assistance as necessary.

EPA will issue permits to "outer continental shelf" (OCS) sources (sources located in offshore waters of the United States) pursuant to the requirements of section 328(a) of the Act. For sources beyond 25 miles of the States' seaward boundaries, EPA is the permitting authority, and the provisions of part 71 will apply to the permitting of those OCS sources. Permits for sources located within 25 miles of a State's seaward boundaries are issued by the Administrator (or a State or local agency which has been delegated the OCS program in accordance with 40 CFR part 55 of this chapter) pursuant to the part 70 or part 71 program which is effective in the corresponding onshore area.

Investigation of the OCS ICR indicates currently there are only two OCS sources which fall under the jurisdiction of the Federal program. EPA estimates there are 100 sources in Indian country that will require part 71 permits.

2(b) USE / USERS OF THE DATA

The data collected from respondents for a part 71 permit program will be used to (a) develop permit terms which ensure sources comply with the requirements of the Act, (b) provide the Agency with valuable air inventory data for the protection of the environment, and (c) provide these services until such time as the Permitting Authority's part 70 program is approved by EPA.

3. THE RESPONDENTS AND THE INFORMATION REQUESTED

3(a) RESPONDENTS / SIC CODES

The respondents for part 71 come from every region of the country, and are primarily found in the SIC codes between 2000 and 5000. However, for some industries outside of the 2000 to 5000 range, permits may also be required.

3(b) INFORMATION REQUESTED

Title V of the Clean Air Act Amendments of 1990 provides that fees collected under the Federal operating permits program may be used solely to cover the costs of administering the program. The information requested includes:

- (a) information required by the standard permit application form,
- (b) updates to permit application forms,
- (c) information required for permit revisions applications,
- (d) monitoring and reporting requirements as specified in the permit, and
- (e) information required for permit renewal.

The following activities listed in the proposed regulation at §71.9 comprise those activities which EPA considers to incur administration costs:

- (a) preparing generally applicable guidance regarding the permit program or its implementation or enforcement;
- (b) reviewing and acting on any application for a permit, permit revisions, application updates, or permit renewal, including the development of an applicable requirement as part of the processing of an application update, a permit, permit revision or renewal;
- (c) processing permit reopenings;
- (d) general administrative costs of running the permit program, including transition planning, interagency coordination, contract management, training, informational services and outreach activities, assessing and collecting fees, the tracking of permit applications, compliance certifications and related data entry;
- (e) implementing and enforcing terms of any part 71 permit (not including any court costs or other costs associated with an enforcement action), including adequate resources to determine which sources are subject to the program;
- (f) emissions and ambient monitoring, modeling, analyses, demonstrations, preparation of inventories, and tracking emissions, provided the activities listed in this subparagraph are needed in order to issue and implement part 71 permits; and
- (g) providing direct and indirect support to small business stationary sources in determining applicable requirements and in receiving permits under part 71 in a timely and efficient manner (to the extent that these activities are not undertaken by a State Small Business Stationary Source Technical and Environment Compliance Assistance Program).

After formulating the above list, EPA grouped the activities similarly to the groupings contained in the Information Collection Request (ICR) Document for the State Operating Permits Program rule, 40 CFR part 70. That document contained several charts which outlined many of the activities which would be undertaken by State operating permits programs. In general, these same activities will also be undertaken under the Federal operating permits program.

3(b)(1) DATA ITEMS

The minimum data elements required in the source's permit, as well as the basic requirements for compliance plans and compliance certifications, are presented in sections 503 and 504(a), (b) and (c) of the Act. Additional information may be required from some subject sources. For example, sources located in nonattainment areas under part D of title I may be required to fulfill the emissions statement requirements for certain sources of VOC and NO_x. Similarly, sources of hazardous air pollutants subject to section 112 which are attempting to comply with alternative emissions limits will also need to submit additional information. Respondent requirements from the Act are listed in Appendix B.

3(b)(2) RESPONDENT ACTIVITIES

Table 1 in Appendix A of this ICR includes the data categories listed above for respondents, disaggregated to a sufficient extent to ensure adequate accounting of all of the activities necessary for a respondent to compile, submit, maintain records, and report to the Federal government in accordance with the requirements of part 71. Below, definitions and formulas are provided for each of the columns and rows in tables 1 and 2.

The annualized cost for Table A-1 is found by amortizing the net present value of the two years of costs over a five permit life for each row, according to the following formula:

Determination of Net Present Value:
$$NPV = C_1 + \left(\frac{C_2}{1.07} \right)$$

Determination of Source Annualized Value:
$$SAV = NPV \left(\frac{.07}{1 - (1.07)^{-5}} \right)$$

Determination of Federal Annualized Value:
$$FAV = NPV \left(\frac{.07}{1 - (1.07)^{-2}} \right)$$

where: NPV is the net present value of the stream of costs incurred,

C_i is the cost of year i (columns 8 and 9),

.07 is the Federal discount rate,

SAV is the source's annualized value found in column 10 of Table A-1, and

FAV is the Federal annualized value found in column 10 of Table A-2.

The analysis uses a seven percent discount rate, in accordance with Agency requirements.

3(c) ASSUMPTIONS AND METHODOLOGY FOR RESPONDENT ACTIVITIES

For the purpose of estimating administrative costs, the Agency applied a combination of the model for NSPS and NESHAPS regulations and actual permitting experience as the methodological tool for the specific source operating permit. The time period used for the RIA was 2 years, but the impacts are amortized over five years. This reflects the assumption that a source permitted under part 71 will keep that permit for the full permit cycle even if the Permitting Authority's permit program is approved. For a stationary source, administrative costs include initial charges for processing a permit application and on-going costs for annual and recurring record keeping, update, and revision activities. The initial administrative burden includes the task of interpreting the regulations and generating data and information needed for the first permit application. These charges are annualized over the 5-year life of the permit.

The basis for estimating resource costs for the industry sector was \$45 per hour, which is consistent with the methodology of the 1992 ICR for part 70. The rationale for this assumption is that 70 percent of the resources expended by industry would be in-house resources assumed at a rate of \$41 per hour and 30 percent contracted with consultants at a rate of \$55 per hour.

The Agency assumes all major sources require specific permits under part 71. Because of the short period of time the part 71 is expected to be effective for any Permitting Authority, the Agency believes a general permit program would not be cost effective. Therefore the sources which are expected to receive general permits under part 70 will have to apply through the regular small major permit process. Each of these permitted sources is assumed to require permit revisions and updates in accordance with those ratios established for the currently proposed changes to part 70, as per the August 1995 supplemental proposal for part 70 and part 71.

4. THE INFORMATION COLLECTED -- AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

4(a) AGENCY ACTIVITIES

4(a)(1) FEDERAL BURDEN

Because there are many functions which cannot be delegated to contractors by the Federal government, line VII of Table A-2 makes allowances for the cost of those functions to be retained as a part of the Federal burden. For line VII, the total annualized cost (TAC) of a seventy percent contractor and thirty percent FTE is determined by the following formula:

$$\text{TAC} = (.7 \times \text{TSSC} \times 1.82) + (.3 \times \text{TSSC}) + \text{TNSC}$$

where: TSSC is the source specific personnel cost value from line III. of Table A-2,
1.82 is the multiplication factor for translating FTE costs to contractor costs, and
TNSC is the total non-source specific costs from Table A-2 line IV.G, which
cannot be delegated by the Agency to a contractor.

The personnel estimates for developing guidance and interagency coordination were based

on EPA staff estimates, in light of the time required to develop guidance for the part 70 program and in light of estimates contained in the Oregon Title V workload analysis.¹ EPA expects it will maintain close communication with the State in which a part 71 program is implemented in order to take advantage of the State expertise and knowledge of the source population and to implement the program in a manner that allows for a smooth transition back to the State.

The Agency anticipates one FTE for contract management. Based on the experience of EPA staff responsible for contract management, it estimates that one FTE would be required to oversee a contract of the size needed to implement a part 71 program.² If the EPA staffs the program without the help of contractors, then no costs would be incurred for this activity.

Current EPA staff are not trained to review, design, implement, track, and enforce title V operating permits. The EPA estimates that 2,080 training hours per year (or 4160 hours of initial training, averaged over two years) will be required, based on staff estimates.

4(a)(2) FEE DEMONSTRATION

The calculations necessary for the determination of an appropriate Federal fee are contained in Appendix A, Table A-3, which provides a range of costs for the Federal Operating Permit Program, depending on whether the Agency decides to perform the task itself, contracts out all of those functions that it possibly can, or retains some functions and contracts out the remainder. Table A-3 indicates that, in 1994 dollars, given the tasks necessary for the Federal government to manage a part 71 permitting program, the Agency would have to impose a per ton fee of between \$26.85 (for a fully delegated program) and \$63.89 (if the Agency contracted out 100% of those tasks for which it is appropriate to contract).

4(a)(3) CONCLUSIONS OF THE ANALYSIS

The total burden to respondents and the Federal government are included in the final lines of Tables A-1 and A-3. Since part 71 is a national rule, and since part 71 is designed to build upon a foundation established by part 70, a portion of the analysis for part 71 must necessarily look at the impact of a part 71 program imposed upon all 112 permitting authorities. The Agency recognizes that such an analysis is not a reasonable approximation of what it expects to happen once State programs are approved. However, such an analysis provides valuable information with regard to the impact of a part 71 program. Specifically, by examining the national impact of part 71, the Agency is able to compare the regulatory burden of the rule against the part 70 rule using similar baselines. This same line of reasoning applies to the comparison of part 71 and part 70 fees.

However, while the Agency recognizes the need for examining the potential burden

2 Oregon's workload analysis projects 2 FTE's for ongoing development of rules, guidance, and interagency agreements. However, since rule development is not an activity for which EPA may collect fees, EPA used a lower personnel estimate.

3 This analysis assumes that the appropriate FTE rate to apply is for a GS-11 Step 3, fully loaded to account for overhead, benefits, and all other appropriate costs. Historically, the wage associated with this FTE level has been \$34 per hour. An analysis of the components of this cost is included in Appendix A as Table A-5 which confirms this value.

imposed upon respondents and the Federal government by all 112 permitting authorities having their permit programs disapproved, the Agency also recognizes that, in actuality, no more than eight States are likely to have a part 71 program. All of the States one have developed and submitted complete operating permits programs to EPA. Of these programs on which EPA has been able to take action, all but Virginia have been approved. Although there are several programs on which the Agency has not been able to take action, based on program submittal dates and the status of EPA's review of these programs, the Agency expects to administer a part 71 program in the rest of the States listed in Table 1-1. A survey done by the Agency indicates there are slightly less than 6 percent of the nation's sources in these eight States. When the estimated 100 sources in Indian country are added to sources located in these eight States, part 71 sources account for slightly more than 6 percent of the Nation's sources. While a part of the analysis contained in this report was performed upon the assumption of universal noncompliance, that analysis was performed strictly as a means of measuring the marginal effect of the part 71 rule. For purposes of conservative estimation, the actual burden is expected to be about 6 percent of the maximal burden defined for a non-delegated program or for a delegated program (line IV of Table A-3). These anticipated Federal costs are reported in Table A-3, line V. Respondent values are reported at the bottom of Table A-1.

4(b) COLLECTION METHODOLOGY AND MANAGEMENT

Estimates in this RIA represent the part 71 costs for the five year permit cycle following establishment of the part 71 program. However, costs to the government sector end after the second year except for the 100 sources in Indian country and the OCS. For purposes of this analysis, the Agency assumes the cost to the government for these few sources also ends after the first year. As noted earlier, a part 71 program for any one state is expected to last only two years and all noncompliant permitting authorities are assumed to result in a part 71 Federal permitting program at the beginning of the first year of this analysis. No Federal costs will accrue due to part 71 after the second year.

Burden estimates for the period preceding part 71 program enactment are not allocated to part 71. The costs incurred by States and EPA prior to part 70 program disapproval are assigned to the part 70 rule impacts, even if the part 70 program is disapproved.

The approach used to estimate EPA burden was also used for Federal fee development. Similar to part 70, costs are computed separately for activities involving large and small major sources. Additional cost elements not related to source specific activities are standardized to a per source basis and added to the source-specific costs.

4(b)(1) DETERMINATION OF A PART 71 FEDERAL OPERATING PERMITS PROGRAM BASELINE

The current part 70 operating permit program requirements were promulgated in July 1992. These requirements specify minimum criteria for approval of part 70 programs for State and local permitting authorities. The part 70 ICR submitted with this rule was used as the baseline for the part 71 ICR that accompanied the proposed part 71 rule. The baseline included 34,324 major sources, including 9,160 large (greater than 100 tpy) major sources, and 25,164 small major sources. Regarding permit revisions, the original part 70 ICR assumed that on

average the large sources made one permit revision per year (not including minor NSR revisions). On average, half the small sources made 0.75 permit revisions per year (not including minor NSR revisions), and the other half were assumed to be covered by general permits and thus would not make permit revisions. Minor NSR revisions, estimated separately, would account for approximately 54,000 changes per year. However, under the July 1992 rule, about 48,000 of these changes could be kept off-permit until renewal. The remainder of the minor NSR changes, estimated at 6,300 changes, would necessitate a permit revision due to a conflict with existing permit terms.

A primary factor affecting this part 70 baseline is the permit revision procedures, particularly the revision procedures for changes subject to State minor new source review (NSR) programs which comprise the vast majority of changes. These procedures have undergone substantial change since the part 70 baseline was developed. Litigants petitioned for judicial review of EPA's July 1992 part 70 rule; a main issue in the petition was the permit revision system contained in this rule. In response, EPA put forth a proposal in August 1994 which proposed, among other changes, a new permit revision system. This rule also announced a more inclusive interpretation of the term "title I modifications" which would have included changes subject to State minor NSR programs established under title I of the Act. Because title I modifications could not be made off permit (and many could not be made as administrative or minor permit modifications), this proposal would have dramatically increased the number of changes subject to a fuller permit revision process, though this would have been mitigated by the design of the proposed revisions to the permit revision system. Thus, the August 1994 proposal necessitated significant changes to the part 70 ICR.

Significant adverse public comment was received on the August 1994 proposal. The EPA, after considering these comments, proposed (as a supplement to the August 1994 notice) another restructured permit revision system. The EPA also reconsidered its interpretation of "title I modification" in light of these comments, and has adopted in the supplemental notice the less inclusive interpretation of "title I modification." This supplemental proposal was published on August 31, 1995, and necessitated additional changes to the part 70 ICR.

Because the part 71 permit revision procedures will follow the part 70 process, the changes described above for part 70 must also be made to the proposed part 71 ICR. Although EPA is still considering public comment on the August 1995 proposal, and is promulgating interim part 71 permit revision procedures based on current part 70, the present ICR is being based on the approach taken in the supplemental proposal. This approach reflects the most likely outcome of the part 71 rule. Although it differs somewhat from the procedures initially being promulgated under part 71, a second part 71 promulgation is planned which will finalize part 71 to follow the approach taken when the August 1995 Supplemental Proposal is finalized. This analysis is based on the assumption that this finalized approach will be essentially the same as, or will impose no greater costs on industry, than the August 1995 proposal.

In updating this analysis to reflect the August 1995 Supplemental Proposal, the proposed part 70 ICR associated with that proposal was used as the new baseline. The number of part 70 major sources (34,324) and modifications (67,644, including minor NSR) was unchanged from the 1992 part 70 ICR. However, the treatment of these changes differs substantially. The proposed process by which a change is incorporated into the permit now differs depending on whether the change is subject to a State review program. If it is subject to such a program (e.g., major or minor NSR), it is generally eligible for automatic incorporation into the part 70 permit

after completion of the State process. Such changes are referred to in the part 70 ICR as "Category I." All other changes would be in Category II. For the most part, Category II changes would require a level of review that matches the environmental significance of the change. More environmentally significant (MES) Category II changes would get a full process, much like the significant permit revision process under the current part 70 rule. The remaining Category II changes would generally undergo an abbreviated review, depending on State-tailored requirements specified in the State program.

Given this new part 70 permit revision baseline, there are two adjustments which must be made to reflect differences between the part 71 analysis and the part 70 analysis. First, whereas the State has the discretion under part 70 to divide Category II changes into MES and non-MES, the August 1995 Supplemental proposal did not provide a process for dividing these changes in the part 71 program. However, the program did provide for certain notice-and-go changes which, although not subject to a prior State process, would not require any source-specific judgements or determinations, and could thus be incorporated automatically. The EPA estimates that about 900 of the Category II changes will be notice-and-go. The remainder of the Category II changes (2000) would undergo the full process for MES changes.

The second difference between the part 70 and 71 baselines is that part 71 sources will not typically be covered by general permits. Therefore, the cost savings from general permits will not be factored into this analysis. The following table shows the part 70 baseline used in this analysis, and shows the adjustments made for part 71 purposes. Table 4.1 illustrates the distribution of the anticipated 66,744 permit revisions between the two permit programs.³ The new baseline for the part 70 ICR divides the modifications into these new categories as follows: Category I (64,744 changes), Category II - MES (2,000 changes), and Category II Notice-and-Go (900 changes).

The names for the alternative revisions tracks differ between the part 70 and the part 71 permit programs because of the characteristics of the revisions within each track. Part 70 calls "Category I" all permit revisions which will, either simultaneously or prior to the part 70 oversight process, have a significant number of its oversight steps performed as a part of that prior process. Most part 70 permit revisions occur under this track, but for part 71, only about fifty five percent of all permit revisions qualify. Because while the two permit programs are somewhat analogous, the Federal permit program will use slightly different criteria and procedures to determine which revisions will be eligible for each track. For "Category II", part 70 differentiates between More Environmentally Significant (MES) and Less Environmentally Significant (LES) non-NSR permit revisions. In addition, Category II includes some nine hundred annual "Notice and Go" permit revisions which require almost no State or Federal oversight.

4(b)(2) ASSUMPTIONS OF THE ANALYSIS

To facilitate the analysis of a Federal operating permit program, the following assumptions have been made:

4 In the original 1992 part 70 ICR, permit revisions were differentiated based upon whether the source applying for the revision was a large or small major source. This was done because the part 70 ICR assumed that the frequency of permit revisions was related to the size of the source. Current analyses, however, has recognized the fact that small sources often make significant changes, and that large sources also make a large number of *de minimis* changes. Therefore, current analyses of the burden and cost of permit revisions is independent of source size.

1. Sources located on the OCS and in Indian country are included in the total number of sources (6 percent of sources nation-wide) used in the RIA and ICR analyses. The cost and duration of the part 71 program for sources on the OCS and in Indian country are the same as for sources located in the States.
2. Since the part 71 program is national in scope, the fee determination and a part of the ICR assumes 100% non-compliance on the part of permitting authorities. For purposes of per ton and per source comparisons, this assumption is considered appropriate by the Agency and the OMB.

TABLE 4.1
PART 70 AND PART 71 BASELINES

	Part 70	Part 71
MAJOR SOURCES		
Large	9,160	9,160
Small	12,582	25,164
General Permits	12,582	0
TOTAL	34,324	34,324
PERMIT REVISIONS		
Category I	64,744	64,744
Category II		
MES	600	2,000
LES	1,400	0
Notice & Go	900	900
TOTAL Category II	2,900	2,900
TOTAL	67,644	67,644

3. In actuality, the Agency anticipates that, at worst, it will administer a part 71 program in eight States. For purposes of establishing an upper bound on the total burden of part 71, the Agency and the OMB believe that this assumption is valid.
4. Permit approval is evenly distributed over three years, with permit applications received throughout the first half of the first year of the Federal operating permit program. The Agency applies a "mid-year convention" for purposes of analyzing the impacts.
5. The Agency believes that the probable duration of a part 71 program in any given jurisdiction will be two years. Also, part 71 programs will be in effect primarily during the first two years after the effective date of the part 71 rule. Consequently, for purposes of

this analysis, the entire Federal operating permit program for noncompliant permitting authorities is assumed to last no more than two years, after which the permitting authority will regain responsibility for the program. This means that the Federal permit program will approve only two thirds of the title V permits in any given jurisdiction. The remaining third of the permits will be approved by the permitting authority. This also means that the third year costs of the part 71 program are zero.

6. For purposes of a Federal operating permit program, the cost of providing a general permit alternative for small major sources is cost prohibitive. Consequently, for those sources assumed to be eligible under part 70 for general permits, no such alternative will be available under the part 71 Federal program. Instead, those sources will be required to obtain source specific operating permit and will have revisions and permit updates with the same frequency as for part 70 small major sources.
7. The Agency believes that, in general, it will take at least as long, and in many cases longer, for the same task to be performed by EPA staff under part 71 *vis a vis* part 70 because the permitting authority generally has a comparative advantage over the part 71 program manager. If the Agency or its contractor manages a part 71 program, it must first gather sufficient human capital (experience, background, etc.) that it can efficiently perform its duties. However, this increased cost assumption will not apply if EPA delegates the part 71 program back to a State.
8. The Agency expects it will be able to delegate its part 71 programs back to the States in virtually every instance.

4(b)(3) DETERMINATION OF THE FEDERAL FEE AND THE FEDERAL BURDEN
 OF PART 71

The cost figures in Tables A-1 and A-2 reflect the cost of implementing part 71 nationwide. To convert the cost of a nationwide program into a per ton fee rate, total cost was divided by the total emissions that would be subject to fees. The result is a fee expressed in dollars per ton per year of pollutants emitted.

Table A-3 presents the fee structure for the proposed regulations. There are four columns which represent the fee amounts (expressed in dollars per ton per year) required to recover the costs of a part 71 program under four different scenarios. The following discussion is in terms of 1994 dollars. First, a fee of \$36.13 would be necessary to recover the costs of a program which EPA administers without delegating of any of its authority or employing contractors. Second, it would require a Federal fee of \$26.85 if the Agency delegated the responsibility of managing a part 71 permit program back to the permitting authority for which the part 70 program was denied. Third, a fee of \$63.89 would be required to recover the costs of a program run to the greatest extent possible by contractors. Finally, a fee of \$55.77 would be required to recover the cost of a program which was staffed seventy percent by contractors and thirty percent by Federal employees.

4(c) SMALL ENTITY FLEXIBILITY

For ICR approval, the Agency must demonstrate that it "has taken all practicable steps to develop separate and simplified requirements for small businesses and other small entities" (5 CFR 1320.6(h)). A complete Regulatory Flexibility Analysis (RFA) is contained elsewhere in this report. However, for purposes of completeness, the highlights of that analysis are included below as part of the ICR requirements for the proposed part 71 rulemaking. The term "small entities" includes small businesses, small governmental jurisdictions, and small organizations.

4(c)(1) METHODOLOGY

A regulatory flexibility screening analysis was conducted as part of the RIA developed for the part 70 rulemaking. This analysis focused on potentially "high risk" industries with a large percentage of small entities or that had expressed concern about regulatory burden in the past. A list of industries that met the above criteria was identified. Emphasis was given to sources which emit PM-10 or VOC. In the screening analysis, the Agency compared the estimated costs of source compliance with title V regulations to the value of sales per facility in each identified "high risk" industry group. The results of that analysis indicated that about a third of these industries may have sources which will incur compliance costs that represent 3 percent or more of sales. Although these figures suggest the potential for adverse impacts, it should be noted that the screening analysis was designed to yield conservative estimates.

4(c)(2) MEASURES TO AVERT IMPACTS ON SMALL ENTITIES

The EPA may exempt one or several source categories, in whole or in part, from the requirements under title V if it is determined that compliance with these requirements would be "impracticable, infeasible, or unnecessarily burdensome". Thus, the impacts of permitting on small firms will be averted completely for any source category which receives a title V exemption. However, the Agency may, under no circumstances, exempt a major source of air pollution. The EPA's regulations grant full exemptions for residential wood stoves and asbestos demolition / remodeling. The regulations also defer applicability for non-major sources until such time as the Administrator completes a rulemaking for that category. Consequently, since part 71 applies almost exclusively to major sources, there is little room for regulatory flexibility to avert the impact of part 70 or 71 on small entities.

4(c)(3) MEASURES TO MITIGATE IMPACTS ON SMALL ENTITIES

The impact of permitting costs on small firms can be mitigated in three ways. The first measure is the implementation of small business stationary source technical and environmental compliance assistance programs as called for in section 507 of the Act (at the Federal and State levels). These programs may significantly alleviate the economic burden on small sources by establishing: 1) programs to assist small businesses with determining what Act requirements apply to their sources and when they apply, and 2) guidance on alternative control technology and pollution prevention for small businesses.

The second mitigation measure is deferred applicability of one or several source categories

from the requirements of title V. Small sources will benefit from the proposed initial 5-year deferral because they: 1) will not be required to pay permit fees during this period, and 2) will not be required to obtain a permit during the first years after program approval, when the States and the EPA will be gaining experience in implementing their new title V programs. It would be especially burdensome to require small sources, generally without the legal and technical resources at the level of major sources, to obtain permits at this time.

Third, mitigation can be achieved by discretion of the Federal government. The Agency has the ability, much like permitting authorities, to assess variable emissions fee rates based upon source categories of pollutants as long as they can demonstrate that, in the aggregate, they will recover sufficient fees to cover the costs of developing the program with no net loss of environmental quality. By charging different rates to different source categories, those categories that are small business dominated would pay less per ton, with the balance being absorbed by other categories which are primarily large business dominated.

4(d) COLLECTION SCHEDULE

The following is the anticipated schedule of occurrences for the part 71 rule:

1. June 15, 1996 Promulgation of part 71
2. July 15, 1996 Effective date of part 71 for OCS sources and States lacking approved part 70 programs
3. December 15, 1996 Begin receiving permit applications for OCS sources and for States lacking approved part 70 programs
4. July 15, 1997 All permit applications must be received from sources on OCS and in states lacking approved part 70 programs on the effective date of the Federal Operating Permits Program
5. Application updates: Due promptly, (a continuous requirement until permit is issued)
6. Permit revisions: Due promptly, (a continuous requirement after the permit application has been issued)
7. Completeness: Determinations of application completeness must be accomplished within 60 days of receipt of the application
8. Permit issuance: required within 180 days of receipt of application except during first 3 years of the program, when one-third of permits must be issued each year
9. Semi-annual reports: For any monitoring (compliance data) required after permit issuance; underlying applicable requirements may require more frequent reports from source

10. Non-compliance: Non-compliance sources are required to submit progress reports consistent with its schedule of compliance, at least semi-annually

11. Compliance Certifications: Due no less than annually after permit issuance

4(e) ENVIRONMENTAL JUSTICE CONSIDERATIONS

The President's priorities in promoting environmental justice are contained in Executive Order #12898. The greatest opportunity for insuring and promoting environmental justice under part 71 will come through implementing the public participation and empowerment portions of the program and the implementation of this program on Native American lands. Public participation in the permit process has traditionally been the major opportunity to examine potentially adverse impacts on communities. Under both the public participation and small business programs the EPA has the ability to make special effort to reach minority and disadvantaged communities. Under these programs, EPA is required to perform outreach activities to insure that information reaches the community at large. By including consideration of language barriers and selection of newspapers and other publications that reach minority communities, EPA can improve its outreach efforts to these communities. Due to the national scope of the part 71 program, specific sectors of the economy are not expected to be impacted in a disproportionate manner. Secondly, this rule protects the air quality of Native American lands when Indian governments do not develop their own permitting program. Part 71 provides a vehicle through which Native American peoples can be protected from air pollution.

5. **NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA**

5(a) NONDUPLICATION

For approval of a proposed ICR, the Agency must ensure that it has taken every reasonable step to avoid duplication in its paperwork requirements in accordance with 5 CFR 1320.4. The proposed part 71 rulemaking is mandated by the Act, and supports the title V permit program under 40 CFR part 70. Recognizing that many States and other air quality management entities have already implemented operating permit programs of their own, the part 70 operating permit guidelines were carefully crafted by the Agency and OMB to incorporate sufficient flexibility in reporting that unnecessary duplication would not occur. The part 71 Federal operating permit program has also been carefully designed to function, as much as possible, in a manner identical to that of the part 70 operating permit program managed by an appropriate Permitting Authority. In addition, the two programs are mutually exclusive. A source will either be subject to a part 70 permit program, or it will be subject to a part 71 Federal program. If a source must report under part 71, and the appropriate Permitting Authority regains control of that source's activities, there is no additional or duplicative burden placed upon the source. Therefore, since part 70 does not impose requirements for unnecessarily duplicative reporting, the Administrator affirms that the proposed part 71 rulemaking does not impose such duplicative burdens, either.

5(b) CONSULTATIONS

Prior to the April 1995 part 71 proposal, the Agency contacted Sara Armitage of the Oregon Department of Environmental Quality (503) 229-5186 with regard to the Oregon Workload Analysis, which formed the basis of the Federal ICR analysis of respondent and Federal burden. The Agency also solicited input from State and Territorial Air Pollution Program Administrators (STAPPA), from which no response was received. The Agency gave a presentation on the proposal at the Second National Tribal Conference on Environmental Management on May 24, 1994 and mailed summaries of the proposal to over 200 Indian tribes. It has received some requests for copies of the April 1995 proposal, but no substantive comments prior to publication of the proposed rule.

In preparation for the promulgation of part 70 and the currently proposed changes to that rule, additional States and industry experts were contacted, and their input was invaluable for the creation of the part 71 rule. Their input has been recorded as a part of the part 70 RIA.

5(c) EFFECTS OF LESS FREQUENT COLLECTION

Information collected in permit applications is to be submitted every five years, i.e., when a permit is renewed. States may have shorter time limits if they so desire. The title V regulations state that if a source owner or operator certifies that no significant changes have occurred at the source since the existing permit was issued, the application for permit renewal may, at the discretion of the permitting authority, refer to the relevant information in the existing application as an alternative to re-submitting duplicative material. This would allow for some measure of regulatory relief for permit renewals. Title V also requires semi-annual compliance progress reports and annual compliance certifications. These requirements are mandated by the Act and cannot be modified. In addition, when a source wishes to change operations in such a way that it increases the level of emissions allowed by the permit or materially alters the manner with which monitoring activities are performed, that source may be required to submit a permit revision application within prescribed time limits from the change in operations. These applications for revisions are also not allowed to have different deadlines from those imposed by the Act. Consequently, consideration of less frequent collection of information is generally inappropriate for this rulemaking, because part 71 is mandated by the Act, driven by the requirements of title V and the specific requirements of part 70. It cannot reduce the level of respondent activity without creating a conflict with the Act and part 70.

5(d) GENERAL GUIDELINES

OMB's general guidelines for information collections must be adhered to by all Federal Agencies for approval of any rulemaking's collection methodology. In accordance with the requirements of 5 CFR 1320.6, the Agency believes:

1. The part 71 regulations do not require periodic reporting more frequently than semi-annually.
2. The part 71 regulations do not require respondents to participate in any statistical survey.

3. Written responses to Agency inquiries are not required to be submitted in less than thirty days.
4. Special consideration has been given in the design of parts 70 and 71 to ensure that the requirements are, to the greatest extent possible, the same for Federal requirements and those permitting authorities who already have permitting programs in place.
5. Confidential, proprietary, and trade secret information necessary for the completeness of the respondent's permit are protected from disclosure under the requirements of §503(e) and §114(c) of the Act.
6. The part 71 regulations do not require more than one original and two copies of the permit application, update, or revision to be submitted to the Agency.
7. Respondents do not receive remuneration for the preparation of reports required by the Act, part 70, or part 71.
8. To the greatest extent possible, the Agency has taken advantage of automated methods of reporting.
9. While small entities must follow the same procedures as larger sources, the Agency believes the impact of the part 71 regulations on such small entities to be insignificant and not disproportionate.

With respect to the retention of records, part 71, as an interrelated component of part 70 under title V, requires the maintenance and storage of records for more than the three years indicated in the ICR Handbook. However, the maintenance of these records by respondents for more than three years facilitates the respondent's ability to prepare permit revisions and renewals. Therefore, the Agency does not believe that the additional burden imposed by the requirement for longer record maintenance outweighs the benefits enjoyed by respondents because of that additional burden.

5(e) CONFIDENTIALITY AND SENSITIVE QUESTIONS

5(e)(1) CONFIDENTIALITY

Confidentiality is not an issue for this rulemaking. In accordance with title V, the information that is to be submitted by sources as a part of their permit application and update; applications for revisions and renewals is a matter of public record. To the extent that the information required for the completeness of a permit is proprietary, confidential, or of a nature that it could impair the ability of the source to maintain its market position, that information is collected and handled subject to the requirements of §503(e) and §114(c) of the Act. See Appendix B for the text of these two sections of the Act.

5(e)(2) SENSITIVE QUESTIONS

The consideration of sensitive questions, (i.e., sexual, religious, personal or other private matters), is not applicable to this rulemaking. The information gathered for purposes of establishing an operating permit for a source do not include personal data on any owner or operator.

6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

The anticipated burden and costs for the title V part 71 Federal permit program are listed in Appendix A. Table A-1 lists the relevant source burden and costs, Tables A-2(a), (b), and (c) lists the burden and costs to the EPA, and Table A-3 derives the Federal fee. Table A-4 provides verification of the Federal hourly rate. Effort hours are assumed to be the same as those found in the part 70 ICR unless otherwise determined by polling industry and national experts. Labor rates for the determination of respondent costs are the same as those established for the 1992 RIA for part 70, i.e., \$45 per hour. A description of each row and column heading in Tables A-1, 2, and 3 can be found at the end of Appendix A.

6(a) ESTIMATING RESPONDENT BURDEN

An average annual burden for the two years of part 71 is not an appropriate measure for comparing the impact of the Federal permitting program with its part 70 counterpart because part 70 burden uses three years for its analysis. Consequently, for comparisons of parts 70 and 71, a third year was artificially added to the part 71 analysis in Table 6-2. The burden for this year was assumed to be the same for sources as that of the second year of the Federal Operating Permit Program. This assumption is consistent with those of the part 70 analysis currently under proposal. In terms of a national program, the Agency anticipates the maximum average annual burden of a part 71 program to respondents to be approximately 7.8 million hours. This is the result of a scenario under which all of the 112 permitting authorities are found noncompliant under the requirements of part 70 and title V. While there is an extremely small probability of such an occurrence, such a scenario does little to convey the true cost of the part 71 program. A more appropriate estimate of the expected scope of the part 71 permit program is for eight States. Consequently, for purposes of this analysis, the Agency expects 6 percent of the maximum impact (678 thousand hours annually, or 329 hours per source) is a truer representation of the expected impact of part 71. The 1992 ICR for part 70 estimated the average burden to respondents as 6.6 million hours. Current changes proposed in the August 1995 Supplemental proposal indicate that the average part 70 burden to respondents may be reduced by .6 million hours, to 5.9 million source burden hours. For the same universe of sources, this translates into about 355 thousand hours, or 172 hours per source.

Since part 71 is built upon the foundation of part 70, an appropriate measure of the burden of part 71 is to look at the marginal impact of the rule, above and beyond what a respondent would expect to incur if its permit was administered under a part 70 program. Table 6-2 compares the additional burden imposed by a part 71 permitting program above and beyond that which would be expected for a program administered by a permitting authority under part 70. To do

TABLE 6-1
BASELINE PART 70 SOURCE COSTS

Original 1992 ICR	\$351,807
LESS: 1992 ICR Permit Revisions	(\$53,271)
PLUS: Proposed 1995 ICR Permit Revisions	\$23,057
LESS: 1992 ICR Permit Applications	(\$228,411)
PLUS: 1995 ICR Permit Applications	\$140,781
PLUS: Other 1995 ICR Proposed Changes	(\$20,365)
Total Part 70 1995 ICR	\$213,598
Net Change	(\$138,209)

this, Table 6-2 includes a third Federal Operating Permit year to make ensure comparisons of annualized costs with part 70 are based upon analogous time frames. The burden of an analogous (three year) part 71 Operating Permit Program is about 43 percent greater than for a part 70 Operating Permit Program.

TABLE 6-2
COMPARISON OF PART 70 AND PART 71 SOURCE BURDEN *

	MAXIMUM	ANTICIPATED
Year 1	19,728,930	1,183,736
Year 2	2,861,697	171,702
Year 3	2,861,697	171,702
TOTAL	25,452,324	1,527,140
AVERAGE BURDEN HOURS	8,484,108	509,047
PART 70 AVERAGE BURDEN	5,918,492	355,110
ADDITIONAL PART 71 BURDEN	2,565,616	153,937

* The part 71 analysis includes an additional third year in order that annualized cost comparisons between part 70 and 71 can be made based upon the same annualization period in Table 6-3, below.

** The part 70 burden was multiplied by .06 to indicate the anticipated marginal impact of the part 71 rulemaking.

For respondents, the fact that only two-thirds of all permits will be approved under part 71 is not an issue. The respondent deadlines are not affected by this, nor are the levels of effort required for a respondent in any category. As far as reporting is concerned, the Agency believes that the respondent is indifferent (from an effort perspective) between reporting to the Federal government and reporting to a State permitting authority. The Agency anticipates the maximum additional burden for respondents is approximately 2.6 million hours annually, or, on average, approximately 75 hours per respondent. This increase in burden arises primarily from the fact that

the part 71 ICR assumes that sources will not receive general permits. Given that the Agency believes the actual scope of the part 71 rulemaking will extend to no more than eight States, the Agency anticipates the actual additional burden for respondents will be approximately 154 thousand hours, or about 75 hours per source.

6(b) ESTIMATING RESPONDENT COSTS

The total cost to respondents for a part 71 program must also be viewed from several different perspectives. Table 6-3 illustrates the additional annualized cost imposed by a part 71 permitting program above and beyond that which would be expected for a program administered by a permitting authority under part 70. Because of the two year duration of the proposed part 71 program, the annualization of costs in Table A-1 is not appropriate for comparison with the three year analysis if the proposed part 70 ICR. Therefore, Table 6-3 lists three year's worth of part 71 costs. For the determination of the respondent costs for years three, the Agency used the value found in year two. This is consistent with the approach taken for the burden for the additional year that was used under section 6(a) above.

The 1992 ICR for part 70 indicated an annual respondent cost of \$351.8 million, \$53.3 million of which comes from large and small major source revisions, which have been modified under a series of currently proposed changes to part 70. These changes reduce the cost of the 1992 ICR to sources by \$30.2 million annually. Additional changes to the part 70 operating permits program reduce the cost of permit applications from \$288.4 million to \$140.8 million annually. Other changes incorporated in the August 1995 Supplemental proposal reduce the cost to sources by an additional \$20.4 million per year. Therefore, the true baseline cost of part 70 to sources is actually \$213.6 million.

The maximum part 71 ICR annual respondent cost of \$302 million can be found in Appendix A, Table A-1. The expected part 71 respondent cost is, therefore, \$18 million. However, this analysis assumes no general permits will be issued under part 71. Consequently, while costs increase on average for all sources, the burden to over a third of all sources increases disproportionately. For sources eligible for general permits, the proposed 1995 ICR for part 70 lists the cost per source as approximately \$142 per source, or \$1.8 million dollars annually. For the same sources under part 71, the cost to sources is expected to be \$6,110 per source, or \$76 million annually, an increase in costs to affected sources of almost forty three times the part 70 cost.⁴

In actuality, the assumption that all 112 permitting authorities will require Federal intervention is unreasonably conservative. Approximately forty States currently have working permit programs which will be folded into the part 70 process, and only eight States currently have a probability of noncompliance great enough to warrant consideration as part of a "worst case" upper bound on costs. Given such a worst case scenario, the Agency believes the expected average annual respondent costs of a part 71 Operating Permits Program is about \$18 million.

5 Part 70 assumes sources eligible for General Permits do not revise their applications. This assumption holds for part 71 as well. Consequently, this comparison is based upon the single line item for General Permits in the 1995 proposed part 70 ICR *vis a vis* line F of category II "Small Sources" in Table A-1 of this analysis.

TABLE 6-3
COMPARISON OF PART 70 AND 71 SOURCE COSTS *
(in thousands)

	<u>MAXIMUM</u>
1995 part 70	\$213,598
Part 71 Maximum Cost	
Year 1	\$887,802
Year 2	<u>\$128,776</u>
2 year annualization **	\$302,091
Anticipated Burden	\$18,125

* A third year of part 71 costs was added to this analysis in order that comparisons of annualized costs between parts 70 and 71 could be made based upon the same time frame.

** Annualization was accomplished by the process outlined above under section 3(b)(2)(i) of this report.

6(c) ESTIMATING AGENCY BURDEN

The Federal burden for implementing a part 71 program has two components, the maximum burden and the expected burden. Under a delegated program scenario, the Agency anticipates an average annual burden of 8.3 million hours for a global part 71 program. However, as explained above, the Agency does not believe that more than eight permitting authorities (i.e., States) have a probability of noncompliance sufficiently high that their program should be included in the determination of a Federal "worst case" scenario. Consequently, the true regulatory burden of part 71 to the Federal government for purposes of this ICR is about 678 thousand hours annually, or 6 percent of the maximum burden.

The Federal burden under part 71 must be compared to the combined burden of the Federal and State under part 70. The proposed 1995 part 70 ICR estimates the average State and Federal burdens at 2.2 million and 124 thousand hours a year, respectively, for a total of 2.4 million hours per year in State and Federal burden. For a comparable universe of sources, this corresponds to a 380 thousand hour burden. Therefore, for the same universe of sources, the part 71 program is more than three and a half times as burdensome than a comparable part 70 program. As was found in the determination of source burden and costs, this is due in part to the assumption that General Permits will not be issued under part 71.

6(d) ESTIMATING AGENCY COST

The maximum annual cost for a delegated part 71 program (line IV, column 3 of Table A-3) is \$330 million, which establishes a lower bound for the determination of total Federal costs. An upper bound to total Federal costs can be found in Table A-3, column 4, which assesses the cost of a part 71 Operating Permits Program managed by contractors to the greatest extent possible. This scenario results in a total maximal cost of \$786 million annually. Since the Agency believes it will be able to delegate all part 71 programs back to the appropriate Permitting

Authority, this analysis concentrates on the lower end of that cost spectrum. The sum of the annualized State and Federal cost for part 70 under the proposed 1995 ICR is \$87 million, or \$5 million for the expected eight States. Consequently, the expected Federal cost of a part 71 Operating Permits Program (\$20 million for the eight States) is about four times greater than the expected cost of an analogous part 70 program.

6(e) BOTTOM LINE BURDEN HOURS AND COSTS / BURDEN TABLES

For purposes of establishing a bottom line impact for part 71, the following assumptions will be maintained: (1) only 6 percent of all sources (based on a survey of the eight States expected to require a part 71 program) will require part 71 permitting, (2) the duration of the part 71 program will be two years, and (3) the Agency will delegate all part 71 responsibilities back to the States in each instance that it runs a part 71 program.

**TABLE 6-4
BOTTOM LINE EFFECTS OF PART 71**

	<u>TOTAL</u>	<u>PER SOURCE</u>
Number of Sources	2,059	
Average Burden Hours		
Respondents	677,719	329
Federal	499,853	243
Total	1,177,572	572
Annualized Cost *		
Respondents	\$18,125	\$8,803
Federal	\$19,813	\$9,622
Total	\$37,938	\$18,425
Federal Fee (in 1994 dollars) **		\$26.85

* Annualized Costs are in thousands of dollars, based upon a two year Federal Operating Permit Program.

** Based on a fully delegated Federal Operating Permit Program.

As indicated in Table 6-4, the proposed part 71 Federal Operating Permits Program will affect 2,059 sources in the eight identified States, on the OCS, and in Indian country. The part 71 program will incur an average of 1.2 million burden hours per year, or approximately 572 hours per source per year. The burden is shared by sources, with approximately 678 thousand hours (329 hours per source), and by the Federal government, which contributes approximately one half

million hours (243 hours per source) of administration which would have been distributed between Federal and State agencies under an analogous part 70 Operating Permit Program.

The cost of a part 71 Operating Permit Program is expected to be \$38 million, of which \$18 million (\$8,803 per source) is due to respondent activities, and the remaining \$20 million (\$9,622 per source) is due to Federal administration of the program. The per source cost of the part 71 Federal Operating Permit Program is, therefore, \$18,425.

These burdens and costs are significantly greater than a part 70 Operating Permit Program for a similar group of sources. The primary reason for this increase is that for purposes of this analysis, it is assumed that no general permits will be issued under part 71. Consequently, all sources which would have been eligible for a General Permit under part 70 are assumed to apply individually under a Federal part 71 Operating Permit Program.

6(f) CAPITAL COSTS

In accordance with title V, the Federal cost of the part 71 program must be passed on to sources in the form of permit fees. As illustrated in Table A-3, the per ton cost of a part 71 permit program is estimated to be between \$26.85 and \$63.89, depending on the actual distribution of effort between FTEs and contractors. Because the Federal fee is designed to fully reimburse the Agency for its permit management costs, in actuality the Federal cost of a part 71 permitting program will be zero, and the costs to respondents should be increased to include the cost of the Federal fee. This \$19.8 million Federal cost becomes the total permit fee, which is treated as a capital cost for ICR purposes.

6(g) BURDEN STATEMENT

In accordance with the requirements of title V, the Federal government stands ready to intervene in the establishment and management of permitting programs for those permitting authorities that, for whatever reason, do not receive approval for their part 70 permit program. This part 71 permitting program will have the same universe of applicability as the part 70 program that it replaces, but because of the short duration of the part 71 program (no more than two years) and the inherent cost of gaining sufficient human capital to manage a part 71 program, this rule is more burdensome and more expensive than a comparable part 70 program. Send comments regarding this burden and cost estimate or any other aspect of this collection of information, including suggestions for reducing the cost or burden, to:

Group Leader, Operating Permits Group
The United States EPA / OAQPS
Air Quality Management Division
MD-12
RTP, North Carolina 27711

or

Director, Regulatory Information Division
Office of Policy, Planning and Evaluation
The United States EPA / OPPE
401 M St. SW
Washington D.C. 20460

APPENDIX A

**DETERMINATION OF THE FEDERAL FEE;
THE FEDERAL AND RESPONDENT BURDEN;
AND THE FEDERAL AND RESPONDENT COST**

TABLE A-1
Source Burden and Costs for Part 71 Operating Permits Program

Activity	Instances			Hours Per		Hours		Cost (in thousands)		
	Sources	Year 1	Year 2	Instance		Year 1	Year 2	Year 1	Year 2	Annual
I. LARGE SOURCES (> 100 tpy)										
A. Rule Interpretation and Planning	9,160	1	0	255		2,335,800	0	\$105,111	\$0	\$25,636
B. Information Collection / Analysis	9,160	1	0	270		2,473,200	0	\$111,294	\$0	\$27,144
C. Permit Application / Compliance Plan	9,160	1	0	271		2,482,360	0	\$111,706	\$0	\$27,244
D. Progress Report / Monitoring / Certification	9,160	0	2	40		0	732,800	\$0	\$32,976	\$17,046
E. Public Hearing	9,160	0.10	0.05	267		244,572	122,286	\$11,006	\$5,503	\$8,932
F. TOTAL LARGE MAJOR SOURCES	9,160					7,535,932	855,086	\$339,117	\$38,479	\$106,000
II. SMALL SOURCES (<100 tpy)										
A. Rule Interpretation and Planning	25,164	1	0	147		3,699,108	0	\$166,460	\$0	\$40,598
B. Information Collection / Analysis	25,164	1	0	130		3,271,320	0	\$147,209	\$0	\$35,903
C. Permit Application / Compliance Plan	25,164	1	0	163		4,101,732	0	\$184,578	\$0	\$45,017
D. Progress Report / Monitoring / Certification	25,164	0	2	20		0	1,006,560	\$0	\$45,295	\$23,413
E. Public Hearing	25,164	0.04	0.02	240		241,574	120,787	\$10,871	\$5,435	\$8,822
F. TOTAL SMALL MAJOR SOURCES	25,164					11,313,734	1,127,347	\$509,118	\$50,731	\$153,754
III. PERMIT APPLICATION REVISIONS										
A. Permit Revisions and Updates										
1. Category I	34,324	1.89	1.89	6		388,464	388,464	\$17,481	\$17,481	\$18,705
2. Category II (MES)	34,324	0.06	0.06	120		240,000	240,000	\$10,800	\$10,800	\$11,556
3. Category II (Notice and Go)	34,324	0.03	0.03	12		10,800	10,800	\$486	\$486	\$520
4. Total Permit Revisions						639,264	639,264	\$28,767	\$28,767	\$30,781
B. Organize and Hold Public Hearings										
1. Category I	34,324	1.89	1.89	0		0	0	\$0	\$0	\$0
2. Category II (MES)	34,324	0.06	0.06	120		240,000	240,000	\$10,800	\$10,800	\$11,556
3. Category II (Notice and Go)	34,324	0.03	0.03	0		0	0	\$0	\$0	\$0
4. Total						240,000	240,000	\$10,800	\$10,800	\$11,556
C. TOTAL PERMIT APPLICATION REVISIONS						879,264	879,264	\$39,567	\$39,567	\$42,337
IV. MAXIMUM SOURCE BURDEN AND COSTS						19,728,930	2,861,697	\$887,802	\$128,776	\$302,091
V. ANTICIPATED SOURCE BURDEN AND COSTS						1,183,736	171,702	\$53,268	\$7,727	\$18,125

TABLE A-2-(a)
Federal Burden and Costs: Undelegated Part 71 Operating Permits Program

Activity	Sources	Instances		Hours Per Instance	Hours		Cost (in thousands)		
		Year 1	Year 2		Year 1	Year 2	Year 1	Year 2	Annual
I. LARGE SOURCES (> 100 tpy)									
A. Application Completeness Review	9,160	1	0	10	91,600	0	\$3,114	\$0	\$1,723
B. Technical Review & Processing	9,160	0.33	0.33	407	1,230,280	1,230,280	\$41,830	\$41,830	\$44,758
C. Process Permit Re-openings	9,160	0	0.25	72	0	164,880	\$0	\$5,606	\$2,898
D. Draft and Send Notices to Affected States	9,160	0.33	0.58	4	12,091	21,251	\$411	\$723	\$601
E. Draft & Publish Public Notice	9,160	0.33	0.58	9	27,205	47,815	\$925	\$1,626	\$1,352
F. Organize and Hold Public Hearings	9,160	0.03	0.06	178	53,806	94,568	\$1,829	\$3,215	\$2,674
G. Compliance Inspection / Coordination	9,160	1	1	90	824,400	824,400	\$28,030	\$28,030	\$29,992
H. Review Progress and Semi-annual Reports	9,160	0.00	1.30	20	0	238,160	\$0	\$8,097	\$4,186
I. Emissions Tracking / Testing	9,160	1	1	31	283,960	283,960	\$9,655	\$9,655	\$10,330
J. TOTAL LARGE MAJOR SOURCES					2,523,342	2,905,314	\$85,794	\$98,781	\$98,512
II. SMALL SOURCES (<100 tpy)									
A. Application Completeness Review	25,164	1	0	10	251,640	0	\$8,556	\$0	\$4,732
B. Technical Review & Processing	25,164	0.33	0.33	174	1,444,917	1,444,917	\$49,127	\$49,127	\$52,566
C. Process Permit Re-openings	25,164	0	0.25	64	0	402,624	\$0	\$13,689	\$7,076
D. Draft and Send Notices to Affected States	25,164	0.33	0.58	4	33,216	58,380	\$1,129	\$1,985	\$1,651
E. Draft & Publish Public Notice	25,164	0.33	0.58	9	74,737	131,356	\$2,541	\$4,466	\$3,714
F. Organize and Hold Public Hearings	25,164	0.03	0.06	151	125,392	220,386	\$4,263	\$7,493	\$6,231
G. Compliance Inspection / Coordination	25,164	1	1	90	2,264,760	2,264,760	\$77,002	\$77,002	\$82,392
H. Review Progress and Semi-annual Reports	25,164	0.00	1.30	19	0	621,551	\$0	\$21,133	\$10,924
I. Emissions Tracking / Testing	25,164	1	1	31	780,084	780,084	\$26,523	\$26,523	\$28,379
J. TOTAL SMALL MAJOR SOURCES					4,974,747	5,924,059	\$169,141	\$201,418	\$197,665
III. PERMIT APPLICATION UPDATES AND REVISIONS									
A. Permit Revisions and Updates									
1. Category I	34,324	1.89	1.89	9	582,696	582,696	\$19,812	\$19,812	\$21,198
2. Category II (MES)	34,324	0.06	0.06	180	360,000	360,000	\$12,240	\$12,240	\$13,097
3. Category II (Notice and Go)	34,324	0.03	0.03	18	16,200	16,200	\$551	\$551	\$589
4. Total Permit Revisions					958,896	958,896	\$32,602	\$32,602	\$34,885
B. Organize and Hold Public Hearings									
1. Category I	34,324	1.89	1.89	0	0	0	\$0	\$0	\$0
2. Category II (MES)	34,324	0.06	0.06	180	360,000	360,000	\$12,240	\$12,240	\$13,097
3. Category II (Notice and Go)	34,324	0.03	0.03	0	0	0	\$0	\$0	\$0
4. Total					360,000	360,000	\$12,240	\$12,240	\$13,097
C. TOTAL PERMIT APPLICATION UPDATES AND REVISIONS					1,318,896	1,318,896	\$44,842	\$44,842	\$47,981
IV. TOTAL SOURCE SPECIFIC FEDERAL BURDEN FOR MAJOR SOURCES					8,816,984	10,148,268	\$299,777	\$345,041	\$344,159
V. NON-SOURCE RELATED PERSONNEL COSTS									
A. Small Business Assistance	112	1	1	4160	465,920	465,920	\$15,841	\$15,841	\$16,950
B. Transition Planning	112	1	1	3192	357,504	357,504	\$12,155	\$12,155	\$13,006
C. Informational Services	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475
D. Ongoing Guidance / Coordination	112	1	1	4160	465,920	465,920	\$15,841	\$15,841	\$16,950
E. Contract Management (One FTE)	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475
F. Training (averaged over two years)	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475
G. TOTAL NON-SOURCE RELATED PERSONNEL COSTS					1,988,224	1,988,224	\$67,600	\$67,600	\$72,332
VI. TOTAL COST OF A 100% FTE RUN FEDERAL OPERATING PERMIT PROGRAM					10,805,208	12,136,492	\$367,377	\$412,641	\$416,491

TABLE A-2-(b)
Burden and Costs for Alternative Undelegated Part 71 Operating Permits Programs

I. TOTAL PERSONNEL COST OF A 100% FTE RUN FEDERAL OPERATING PERMIT PROGRAM (line VI, Table A-2-(a))	\$416,491
II. TOTAL PERSONNEL COST FOR A 100% CONTRACTOR RUN FEDERAL OPERATING PERMIT PROGRAM *	\$758,013
III. TOTAL PERSONNEL COST FOR A 70% CONTRACTOR / 30% FTE MIX *	\$658,055
IV. ANTICIPATED PERSONNEL COST OF A 100% FTE RUN FEDERAL OPERATING PERMIT PROGRAM **	\$24,989
V. ANTICIPATED PERSONNEL COST OF A 100% CONTRACTOR RUN FEDERAL OPERATING PERMIT PROGRAM **	\$45,481
VI. ANTICIPATED PERSONNEL COST OF A 70% CONTRACTOR / 30% FTE MIX **	\$39,483

• These values are based on the assumption that all 112 Permitting Authorities lack approved part 70 Operating Permit Programs.

** Based on eight States lacking approval part 70 Operating Permits Programs.

TABLE A-2-(c)
Federal Burden and Costs for a Delegated Part 71 Operating Permits Program

Activity	Sources	Instances		Hours Per	Hours		Cost (in thousands)		
		Year 1	Year 2	Instance	Year 1	Year 2	Year 1	Year 2	Annual
I. LARGE SOURCES (> 100 tpy)									
A. Application Completeness Review	9,160	1	0	7	64,120	0	\$2,180	\$0	\$1,206
B. Technical Review & Processing	9,160	0.33	0.33	271	819,179	819,179	\$27,852	\$27,852	\$29,802
C. Process Permit Re-openings	9,160	0	0.25	48	0	109,920	\$0	\$3,737	\$1,932
D. Draft and Send Notices to Affected States	9,160	0.33	0.58	4	12,091	21,251	\$411	\$723	\$601
E. Draft & Publish Public Notice	9,160	0.33	0.58	9	27,205	47,815	\$925	\$1,626	\$1,352
F. Organize and Hold Public Hearings	9,160	0.03	0.06	142	42,924	75,442	\$1,459	\$2,565	\$2,133
G. Compliance Inspection / Coordination	9,160	1	1	48	439,680	439,680	\$14,949	\$14,949	\$15,996
H. Review Progress and Semi-annual Reports	9,160	0.00	1.30	20	0	238,160	\$0	\$8,097	\$4,186
I. Emissions Tracking / Testing	9,160	1	1	26	238,160	238,160	\$8,097	\$8,097	\$8,664
J. TOTAL LARGE MAJOR SOURCES					1,643,359	1,989,607	\$55,874	\$67,647	\$65,871
A. Application Completeness Review	25,164	1	0	7	176,148	0	\$5,989	\$0	\$3,312
B. Technical Review & Processing	25,164	0.33	0.33	116	963,278	963,278	\$32,751	\$32,751	\$35,044
C. Process Permit Re-openings	25,164	0	0.25	43	0	270,513	\$0	\$9,197	\$4,754
D. Draft and Send Notices to Affected States	25,164	0.33	0.58	4	33,216	58,380	\$1,129	\$1,985	\$1,651
E. Draft & Publish Public Notice	25,164	0.33	0.58	9	74,737	131,356	\$2,541	\$4,466	\$3,714
F. Organize and Hold Public Hearings	25,164	0.03	0.06	121	100,480	176,601	\$3,416	\$6,004	\$4,993
G. Compliance Inspection / Coordination	25,164	1	1	48	1,207,872	1,207,872	\$41,068	\$41,068	\$43,942
H. Review Progress and Semi-annual Reports	25,164	0.00	1.30	19	0	621,551	\$0	\$21,133	\$10,924
I. Emissions Tracking / Testing	25,164	1	1	26	654,264	654,264	\$22,245	\$22,245	\$23,802
J. TOTAL SMALL MAJOR SOURCES					3,209,995	4,083,815	\$109,140	\$138,850	\$132,137
A. Permit Revisions and Updates									
1. Category I	34,324	1.89	1.89	6	388,464	388,464	\$13,208	\$13,208	\$14,132
2. Category II (MES)	34,324	0.06	0.06	120	240,000	240,000	\$8,160	\$8,160	\$8,731
3. Category II (Notice and Go)	34,324	0.03	0.03	12	10,800	10,800	\$367	\$367	\$393
4. Total Permit Revisions					639,264	639,264	\$21,735	\$21,735	\$23,256
B. Organize and Hold Public Hearings									
1. Category I	34,324	1.89	1.89	0	0	0	\$0	\$0	\$0
2. Category II (MES)	34,324	0.06	0.06	120	240,000	240,000	\$8,160	\$8,160	\$8,731
3. Category II (Notice and Go)	34,324	0.03	0.03	0	0	0	\$0	\$0	\$0
4. Total					240,000	240,000	\$8,160	\$8,160	\$8,731
C. TOTAL PERMIT APPLICATION UPDATES AND REVISIONS					879,264	879,264	\$29,895	\$29,895	\$31,988
IV. TOTAL SOURCE SPECIFIC FEDERAL BURDEN FOR MAJOR SOURCES					5,732,618	6,952,686	\$194,909	\$236,391	\$229,995
A. Small Business Assistance	112	1	1	4160	465,920	465,920	\$15,841	\$15,841	\$16,950
B. Transition Planning	112	1	1	3192	357,504	357,504	\$12,155	\$12,155	\$13,006
C. Informational Services	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475
E. Contract Management (One FTE)	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475
F. Training (averaged over two years)	112	1	1	2080	232,960	232,960	\$7,921	\$7,921	\$8,475
G. TOTAL NON-SOURCE RELATED PERSONNEL COSTS					1,988,224	1,988,224	67,600	67,600	\$72,332
VI. TOTAL COST OF A DELEGATED FEDERAL OPERATING PERMIT PROGRAM *					7,720,842	8,940,910	\$262,509	\$303,991	\$302,327
VII. ANTICIPATED COST OF A DELEGATED OPERATING PERMIT PROGRAM **					463,251	536,455	\$15,751	\$18,239	\$18,140

TABLE A-3
Federal Burden and Costs for Part 71 Operating Permits Program

	<u>100% FTE</u>	<u>Delegated Program</u>	<u>100 % Contract</u>	<u>70% Contract 30% FTE</u>
I. Base Cost	\$416,491	\$302,327	\$758,013	\$658,055
II. Travel	\$14,488	\$14,488	\$14,488	\$14,488
III. Data Management and Tracking	\$13,400	\$13,400	\$13,400	\$13,400
IV. Total Maximal Costs	\$444,379	\$330,215	\$785,901	\$685,943
V. Total Expected Cost	\$26,663	\$19,813	\$47,154	\$41,157
VI. Total Fee in 1994 Dollars (based on 12.3 million tpy)	\$36.16	\$26.85	\$63.89	\$55.77
VII. Total Fee in 1996 Dollars	\$38.33	\$28.48	\$67.79	\$59.16

TABLE A-4
Average Hourly Cost Per Full Time Employee

Annual Salary of Permit Staff, GS 11 Step 3 (FY 95 Schedule)		\$36,973.00
Annual Cost of Supervisory Staff, GS 13 Step 3 (FY 95 Schedule)	\$52,693.00	
Factor (1/11)	<u>0.09</u>	\$4,790.27
Annual Cost of Support Staff, GS 6 Step 6 (FY 95 Schedule)	\$24,585.00	
Factor (1/8)	<u>0.13</u>	\$3,073.13
Benefits (at 16%)		\$7,173.82
Sick Leave / Vacation (at 10%)		\$4,483.64
General Overhead		<u>\$14,497.00</u>
Total Cost Per FTE		<u>\$70,990.86</u>
Total Hourly Cost (Total Per FTE divided by 2.080 hours per year)		<u>\$34.13</u>

ROW DEFINITIONS

"Rule Interpretation / Planning" includes the following tasks: review of appropriate rules and regulations, meetings with the permitting authority and/or Federal government (if needed), and any necessary negotiations.

"Information Collection / Analysis" includes inventory of emission points, estimation of emissions, inventory of existing air pollution control equipment and monitoring devices, or equipment, and identification of applicable requirements.

"Permit Application / Compliance Plan Development" includes preparation of the application form, including the identification of alternative scenarios, a compliance plan, a compliance schedule (if applicable), a certification of compliance, and a certification as to the truth, accuracy, and completeness of the application.

"Permit Revisions" are broken down into categories corresponding to the tracks for part 70 permit revisions, each of which has different procedures as provided in the August 1995 Supplemental proposal for part 70. Permit revisions are modifications to the source's permit submittal of the initial permit (i.e., includes permit revisions which occur after submittal but prior to approval). The number of occurrences under each of the permit revisions track differs from its part 70 counterpart because of programmatic differences between parts 70 and 71, such as the exclusion of general permits to half of the universe of small major sources.

"Progress Reporting / Monitoring / Compliance Certification" includes semi-annual progress reports if the sources is out of compliance, reports of any required monitoring on a semi-annual (or more frequent) basis, and certification as to the respondent compliance status.

"Public Hearing" includes preparation and participation in the hearing, including drafting and publishing public notices for hearings; travel, per diem, and transportation costs; registering participants; conducting and recording the proceeding; and preparing a transcript or other record of the proceeding.

COLUMN DEFINITIONS

Columns three and four of Table A-1, "Occurrences" indicate the first and second year number of times each source is expected to undertake the activity for that row.

Column five, "Hours Per Occurrence", indicates the number of person-hours required to perform the activity for that row one time.

Columns six and seven, "Hours" indicate the total number of first and second year person-hours required to perform the activity of the row for all sources. It is derived by multiplying the number of sources (column two) times the appropriate number of occurrences (column three or four), and then multiplying that product by the number of hours per occurrence (column five).

The total cost for each row in Table A-1 is derived by multiplying the appropriate "Hours" column (column six or seven) times \$45.00 per hour, in accordance with the 1992 ICR for part 70 and the current ICR for the changes to part 70 under consideration at this time.

The far right column in each table contains annualized costs, utilizing the formula found in section 3(B)(2) of this ICR.

APPENDIX B

The Statutory Requirements for Respondent Information

SEC. 503. PERMIT APPLICATIONS.

"(a) **APPLICABLE DATE.**-Any source specified in section 502(a) shall become subject to a permit program, and required to have a permit, on the later of the following dates-

"(1) the effective date of a permit program or partial or interim permit program applicable to the source; or

"(2) the date such source becomes subject to section 502(a).

"(b) **COMPLIANCE PLAN.**-(1) The regulations required by section 502(b) shall include a requirement that the applicant submit with the permit application a compliance plan describing how the source will comply with all applicable requirements under this Act. The compliance plan shall include a schedule of compliance, and a schedule under which the permittee will submit progress reports to the permitting authority no less frequently than every 6 months.

"(2) The regulations shall further require the permittee to periodically (but no less frequently than annually) certify that the facility is in compliance with any applicable requirements of the permit, and to promptly report any deviations from permit requirements to the permitting authority.

"(c) **DEADLINE.**-Any person required to have a permit shall, not later than 12 months after the date on which the source becomes subject to a permit program approved or promulgated under this title, or such earlier date as the permitting authority may establish, submit to the permitting authority a compliance plan and an application for a permit signed by a responsible official, who shall certify the accuracy of the information submitted. The permitting authority shall approve or disapprove a completed application (consistent with the procedures established under this title for consideration of such applications), and shall issue or deny the permit, within 18 months after the date of receipt thereof, except that the permitting authority shall establish a phased schedule for acting on permit applications submitted within the first full year after the effective date of a permit program (or a partial or interim program). Any such schedule shall assure that at least one-third of such permits will be acted on by such authority annually over a period of not to exceed 3 years after such effective date. Such authority shall establish reasonable procedures to prioritize such approval or disapproval actions in the case of applications for construction or modification under the applicable requirements of this Act.

"(d) **TIMELY AND COMPLETE APPLICATIONS.**-Except for sources required to have a permit before construction or modification under the applicable requirements of this Act, if an applicant has submitted a timely and complete application for a permit required by this title (including renewals), but final action has not been taken on such application, the source's failure to have a permit shall not be a violation of this Act, unless the delay in final action was due to the failure of the applicant timely to submit information required or requested to process the application. No source required to have a permit under this title shall be in violation of section 502(a) before the date on which the source is required to submit an application under subsection (c).

"(e) **COPIES; AVAILABILITY.**-A copy of each permit application, compliance plan (including the schedule of compliance), emissions or compliance monitoring report, certification, and each permit issued under this title, shall be available to the public. If an applicant or permittee is required to submit information entitled to protection from disclosure under section 114(c) of this Act, the applicant or permittee may submit such information separately. The requirements of section 114(c) shall apply to such information. The contents of a permit shall not be entitled to

protection under section 114(c).

SEC. 504. PERMIT REQUIREMENTS AND CONDITIONS.

"(a) **CONDITIONS.**-Each permit issued under this title shall include enforceable emission limitations and standards, a schedule of compliance, a requirement that the permittee submit to the permitting authority, no less often than every 6 months, the results of any required monitoring, and such other conditions as are necessary to assure compliance with applicable requirements of this Act, including the requirements of the applicable implementation plan.

"(b) **MONITORING AND ANALYSIS.**-The Administrator may by rule prescribe procedures and methods for determining compliance and for monitoring and analysis of pollutants regulated under this Act, but continuous emissions monitoring need not be required if alternative methods are available that provide sufficiently reliable and timely information for determining compliance. Nothing in this subsection shall be construed to affect any continuous emissions monitoring requirement of title IV, or where required elsewhere in this Act.

"(c) **INSPECTION, ENTRY, MONITORING, CERTIFICATION, AND REPORTING.**-Each permit issued under this title shall set forth inspection, entry, monitoring, compliance certification, and reporting requirements to assure compliance with the permit terms and conditions. Such monitoring and reporting requirements shall conform to any applicable regulation under subsection (b). Any report required to be submitted by a permit issued to a corporation under this title shall be signed by a responsible corporate official, who shall certify its accuracy.

§70.5(c) STANDARD APPLICATION FORM AND REQUIRED INFORMATION.

The State program under this part shall provide for a standard application form or forms. Information as described below for each emissions unit at a part 70 source shall be included in the application. The Administrator may approve as part of a State program a list of insignificant activities and emissions levels which need not be included in permit applications. However, for insignificant activities which are exempted because of size or production rate, a list of such insignificant activities must be included in the application. An application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to evaluate the fee amount required under the schedule approved pursuant to §70.9 of this part. The permitting authority may use discretion in developing application forms that best meet program needs and administrative efficiency. The forms and attachments chosen, however, shall include the elements specified below:

(1) Identifying information, including company name and address (or plant name and address if different from the company name), owner's name and agent, and telephone number and names of plant site manager/contact.

(2) A description of the source's processes and products (by Standard Industrial Classification Code) including any associated alternative scenario identified by the source.

(3) The following emission related information:

(I) All emissions of pollutants for which the source is major, and all emissions of regulated air pollutants. A permit application shall describe all emissions of regulated air pollutants emitted from any emissions unit, except where such units are exempted under this

paragraph (c) of this section. The permitting authority shall require additional information related to the emissions of air pollutants sufficient to verify which requirements are applicable to the source, and other information necessary to collect any permit fees owed under the fee schedule approved pursuant to §70.9(b) of this part.

(ii) Identification and description of all points of emissions described in paragraph (c)(3)(I) of this section in sufficient detail to establish the basis for fees and applicability of requirements of the Act.

(iii) Emissions rate in tpy and in such terms as are necessary to establish compliance consistent with the applicable standard reference test method.

(iv) The following information to the extent it is needed to determine to regulate emissions: Fuels, fuel use, raw materials, production rates, and operating schedules.

(v) Identification and description of air pollution control equipment and compliance monitoring devices or activities.

(vi) Limitations on source operation affecting emissions or any work practice standards, where applicable, for all regulated pollutants at the part 70 source.

(vii) Other information required by any applicable requirement (including information related to stack height limitations developed pursuant to section 123 of the Act.)

(viii) Calculations on which the information on paragraphs (c)(3)(I) through (c)(3)(vii) of this section is based.

(4) The following air pollution control requirements:

(I) Citation and description of all applicable requirements, and

(ii) Description of or reference to any applicable test method for determining compliance with each applicable requirement.

(5) Other specific information that may be necessary to implement and enforce other applicable requirements of the Act or of this part or to determine the applicability of such requirements.

(6) An explanation of any proposed exemptions from otherwise applicable requirements.

(7) Additional information as determined to be necessary by the permitting authority to define alternative operating scenarios identified by the source pursuant to § 70.6(a)(9) of this part or to define permit terms and conditions implementing § 70.4(b)(12) or § 70.6(a)(10) of this part.

(8) A compliance plan for all part 70 sources that contains all the following:

(I) A description of the compliance status of the source with respect to all applicable requirements.

(ii) A description as follows:

(A) For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.

(B) For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis.

(C) For requirements for which the source is not in compliance at the time of permit issuance, a narrative description of how the source will achieve compliance with such requirements.

(iii) A compliance schedule as follows:

(A) For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements.

(B) For applicable requirements that will become effective during the permit term, a

statement that the source will meet such requirements on a timely basis. A statement that the source will meet in a timely manner applicable requirements that become effective during the permit term shall satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.

(C) A schedule of compliance for sources that are not in compliance with all applicable requirements at the time of permit issuance. Such a schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable requirements for which the source will be in noncompliance at the time of permit issuance. This compliance schedule shall resemble and be at least as stringent as that contained in any judicial consent decree or administrative order to which the source is subject. Any such schedule of compliance shall be supplemental to and shall not sanction noncompliance with, the applicable requirements on which it is based.

(iv) A schedule for submission of certified progress reports no less frequently than every 6 months for sources required to have a schedule of compliance to remedy a violation.

(v) The compliance plan content requirements specified in this paragraph shall apply and be included in the acid rain portion of a compliance plan for an affected source, except as specifically superseded by regulations promulgated under title IV of the Act with regard to the schedule and method(s) the source will use to achieve compliance with the acid rain emissions limitations.

(9) Requirements for compliance certification, including the following:

(I) A certification of compliance with all applicable requirements by a responsible official consistent with paragraph (d) of this section and section 114(a)(3) of the Act;

(ii) A statement of methods used for determining compliance, including a description of monitoring, record keeping, and reporting requirements and test methods;

(iii) A schedule for submission of compliance certifications during the permit term, to be submitted no less frequently than annually, or more frequently if specified by the underlying applicable requirement or by the permitting authority; and

(iv) A statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements of the Act.

(10) The use of nationally-standardized forms for acid rain portions of permit applications and compliance plans, as required by regulations promulgated under title IV of the Act.

(d) Any application form, report, or compliance certification submitted pursuant to these regulations shall contain certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under this part shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.